

# **Western Climate Initiative: Status Report**

**California Climate Initiative  
Dialogue Group  
August 13, 2008**

# WCI Objectives

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## ❑ Western Climate Initiative:

- Collaborate to reduce greenhouse emissions collectively among the WCI members.
- Three deliverables:
  - Set a regional emissions reduction goal.
  - Design a regional multi-sector mechanism to achieve the reduction goal.
  - Join The Climate Registry.
- Work jointly to:
  - Promote clean and renewable energy in the region.
  - Increase energy efficiency.
  - Advocate for regional and national climate policies that are in the interest of western states.
  - Identify measures to adapt to climate change impact.

# WCI Partners and Observers

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## ❑ Partners:

Arizona

New Mexico

Oregon

Utah

Washington

Montana

British Columbia

Manitoba

Quebec

## ❑ Observers:

Alaska

Colorado

Saskatchewan

Sonora

Chihuahua

Kansas

Nevada

Ontario

Tamaulipas

Nuevo Leon

Idaho

Wyoming

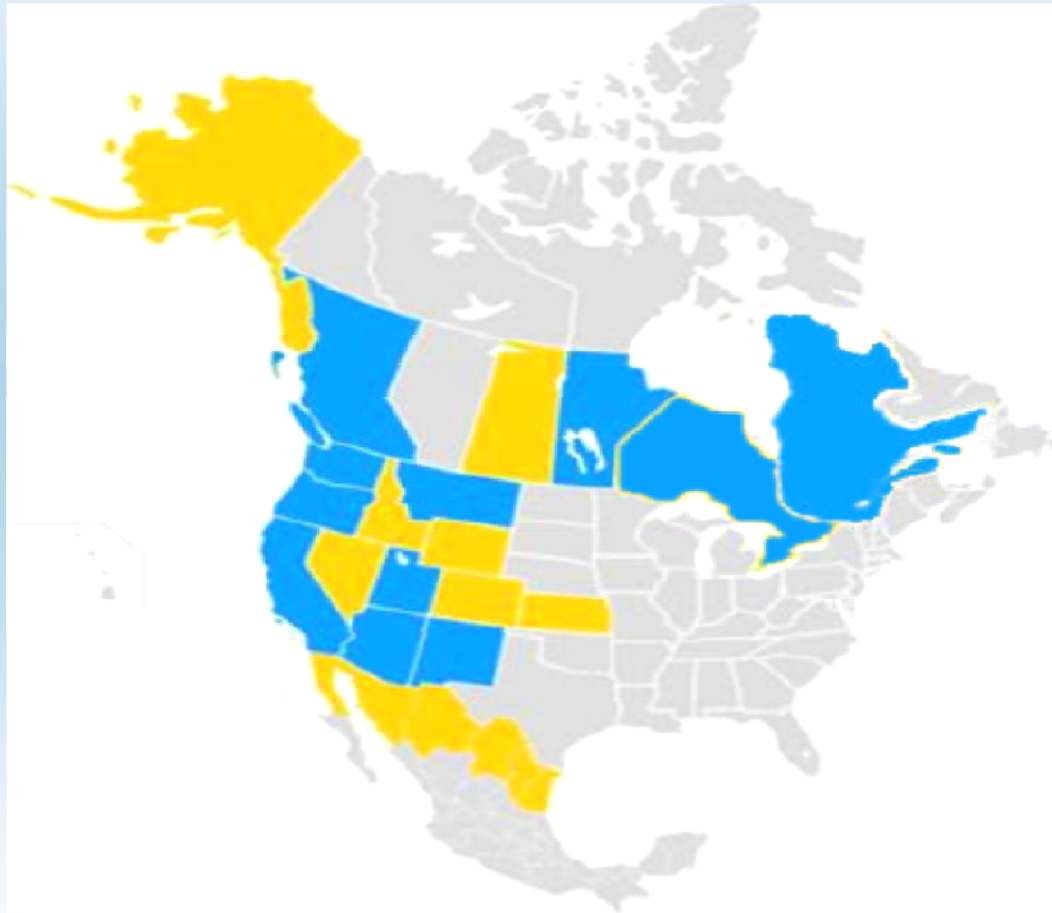
Baja California

Coahuila



# WCI Partners and Observers

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# Emission Targets

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- ❑ Arizona: 2000 by 2020; 50% below 2000 levels by 2040.
- ❑ New Mexico: 2000 by 2012; 10% below by 2020; 75% below by 2050.
- ❑ Oregon\*: 1990 by 2010; 10% below 1990 by 2020; 75% below by 2100.
- ❑ Washington\*: 1990 by 2020; 25% below 1990 by 2035; 50% below 1990 by 2050.
- ❑ Utah: 2005 by 2020.
- ❑ British Columbia\*: 10% below 1990 levels by 2020.
- ❑ Manitoba: 6% below 1990 by 2012.
- ❑ Montana: 1990 levels by 2020.
- ❑ Quebec: Below 1990 levels by 2012.
- ❑ Ontario: 6% below 1990 levels by 2014 and 15% below 1990 levels by 2020.

\* Statutory

# WCI Activities

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- ❑ **July 23, 2008: Release Draft Program Design**
- ❑ **July 29, 2008: Workshop in San Diego**
- ❑ **August 13, 2008: Written Comments Due**
- ❑ **Week of September 22, 2008:  
Release Proposed Program Design**

# WCI Design Principles

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1. Is equitable, administratively simple for government and private participants, minimizes administrative costs, and has a clear compliance path.
2. Maximizes total benefits throughout the region, including reducing air pollutants, diversifying energy sources, and advancing economic, environmental, and public health objectives, while also avoiding localized or disproportionate environmental or economic impacts.

# WCI Design Principles (Continued)

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3. Requires all reductions to be real, surplus/additional, verifiable, permanent, and enforceable.
4. Stimulates investment, especially in low carbon technologies, and rewards innovations that will lead to long-term permanent greenhouse gas reductions.
5. Covers as many sources as is practical, while encouraging pollution reductions beyond the capped sources and sectors.
6. Provides appropriate recognition and incentives for early emissions reductions.



# WCI Design Principles (Continued)

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7. Assures a transparent and robust accounting system that will measure and report emissions rigorously and consistently across all sectors and throughout the region.
8. Minimizes the potential for leakage.
9. Facilitates linkage to similarly rigorous regional and international greenhouse gas reduction markets and encourages other states, provinces, and countries to join the market.

# WCI Process

| Milestone  | Date                   |
|--|------------------------|
| WCI Workplan Released  | October 29, 2008       |
| Subcommittee Options Papers Released   | January 5, 2008        |
| Stakeholder Workshop, Portland, Oregon   | January 10, 2008       |
| Initial Draft Scope Recommendations Released<br>Initial Draft Electricity Point of Regulation Recommendations Released   | February 3, 2008       |
| Stakeholder Conference Calls with Scope and Electricity Subcommittees  | February 11, 2008      |
| Scope of Work for Economic Analysis Released   | March 3, 2008          |
| Initial Draft Design Recommendations Released <ul style="list-style-type: none"> <li>• Scope and Electricity</li> <li>• Offsets, Allocations, and Reporting</li> </ul> | March 5<br>April 3     |
| Offsets Workshop in Vancouver, British Columbia  | March 26               |
| Stakeholder Conference Calls with Subcommittees  | Week of March 11, 2008 |
| Consolidated WCI Draft Recommendations Released  | May 16, 2008           |
| Stakeholder Workshop in to discuss draft subcommittee recommendations  | May 21                 |
| Draft Program Design Recommendations for public review and comment   | July 23, 2008          |
| Stakeholder Workshop in to Discuss Draft Design Recommendations  | July 29, 2008          |
| WCI Program Design Recommendations released  | September 2008         |

# Draft Design Recommendations

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- ❑ Six primary greenhouse gases
- ❑ Starting dates and thresholds
  - Reporting
  - Cap and Trade
- ❑ Sectors and Points of Regulation
- ❑ Cost Containment
  - Cap and trade
  - Offsets
  - Banking (but no borrowing)
  - Three year compliance periods

# Draft Design Recommendations (Continued)

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- ☐ Role of other policies
- ☐ Method to set the program emissions cap
- ☐ Distribution of allowances
- ☐ Regional organization
- ☐ Enforcement

# Design Issues Under Discussion

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- ❑ WCI Partner allowance budgets
- ❑ Role of auctions; amount of auctions
- ❑ Essential Elements of reporting requirements
- ❑ First Jurisdictional Deliverer specifics
- ❑ Schedule

# California WCI Contacts

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- ❑ **Darren Bouton, Governor's Office**
- ❑ **Michael Gibbs, Cal/EPA**
- ❑ **Chuck Shulock, ARB**
- ❑ **Julie Fitch, CPUC**
- ❑ **Karen Griffin, CEC**

**Link:** [www.westernclimateinitiative.org](http://www.westernclimateinitiative.org)